

**FOR IMMEDIATE RELEASE**  
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## **SENATOR KENNEDY ON INCREASE TO PELL GRANTS**

WASHINGTON, DC—Today, Senator Edward M. Kennedy issued the following statement in response to the Bush Administration announcement of an increase to Pell grants.

Senator Kennedy said, "This welcome development shows how a Democratic Congress is changing the nation's priorities. For the past five years of Republican control, Congress failed to hold the President accountable for his broken promise to increase Pell grants.

It's time to turn these promises into real help for college students and their families. Last week I introduced a proposal that immediately increases the maximum Pell Grant to \$5100, expands debt management and loan forgiveness for students struggling with burdensome loan payments, and reforms the federal student loan programs as well. Students and families are pinching pennies to pay for college more than ever, so the President and Congress need to work aggressively on all these fronts, so we can give them as much help as possible."

Below, is a letter Senators Kennedy, Collins, Coleman and Feingold sent to Rob Portman, Director of the Office of Management and Budget calling for an increase in the President's budget for Pell grants.

October 31, 2006

The Honorable Rob Portman  
Director  
The Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

Dear Mr. Portman:

As you prepare the President's fiscal year 2008 budget request, we urge you to include funding to provide a significant increase in the maximum Pell grant award. Such an increase would ensure that the door to higher education, and the future it offers, remains open for thousands of needy college students next year.

We strongly support increasing the maximum Pell grant award, and believe that an increase is long overdue. The current maximum grant award of \$4,050 has not been raised in over five years. During this same period, rising college costs and inflation have significantly eroded the purchasing power of the Pell grant. In 1975, the amount of the maximum award was equivalent to nearly 80 percent of the average cost of attending a public, four-year institution. Today, the maximum Pell grant award covers only 33 percent of these costs. It is crucial that we take steps to reverse this trend if we are to preserve the Pell grant as the cornerstone of our federal need-based aid program.

Students are increasingly forced to borrow larger amounts in order to finance a college education. This growing reliance on loans has a particularly strong deterrent effect on students from low-income families and their decision to attend college. One study found that these students are

significantly less willing to finance college through borrowed money than their economically wealthier counterparts. For these students, the amount of available grant aid can be the deciding factor in whether they pursue their college dreams.

Our nation's ability to remain competitive in the global economy depends on having a highly skilled and educated workforce. For low-income students, Pell grants are the key to having access to higher education and a chance to participate fully in the American dream. Therefore, we strongly urge you to include a significant increase in the maximum Pell grant award in your budget assumptions for fiscal year 2008.

We thank you for your consideration of our request.